



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D C 20548

CIVIL DIVISION

APR 25 1969

Dear Mr. Weber

We have made a limited review of certain policies and procedures ^{for} established by the ~~Unemployment Insurance Service, Manpower Administration, for the~~ adjudication of claimant and employer appeals in connection with benefit payments to unemployed persons under the unemployment insurance program. The review was made at the regional manpower office in Boston, Massachusetts, and at the State employment security agencies in Maine, Massachusetts and Rhode Island.

Under the procedures of the Manpower Administration and the State agencies, unemployment insurance claimants and employers can file appeals if they believe that the benefit determinations made by local employment security officials are not proper. The Manpower Administration's statistics show that during fiscal year 1968, decisions rendered on appeals filed by claimants and employers totaled about 900 in Rhode Island, 1,230 in Maine and 8,900 in Massachusetts. The statistics also show that appellants were successful in obtaining a reversal or modification of the local officials' decisions in 20 percent of the cases in Maine, in 26 percent of the cases in Massachusetts, and in 32 percent of the cases in Rhode Island.

During our visits to the three States, we examined a selected number of appeals cases where the benefit determinations made by the local officials had been reversed or modified by the States' appeals officers. Our review revealed several areas in need of improvement. We found, for example, that the States' appeals officers were not including in their written decisions, the specific reason or reasons for their reversal of the benefit determinations made by local officials. Although regional manpower officials stated that the reasons for the reversals and modifications were generally implied in the written decisions, we found that, in most instances, we had to review all documentation applicable to the case before the basic reason or reasons became apparent. We believe that the establishment of a procedure to have State appeals officials disclose the specific reasons for reversing a prior determination would be a useful management tool for the regional and State officials and would aid them in evaluating the adequacy of unemployment insurance benefit determinations made by the local offices.

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Our review also revealed a number of instances in the three States where benefit determinations made at the local offices were reversed upon appeal, because the local offices had not made complete or effective fact-finding investigations at the time that the determinations were made. As a result, payments of unemployment benefits were delayed or were made to ineligible claimants and, in our opinion, resulted in some unnecessary appeals. We found also that the appeals cases in the State of Maine were not being reviewed and adjudicated in a timely manner. For example, about 20 percent of the appeals cases in the State were not disposed of until more than 75 days after the appeal was filed. In our opinion, such delays appear to be contrary to the objective of the unemployment insurance program of having prompt and proper payments made to claimants determined to be eligible.

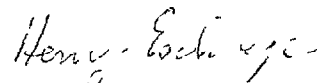
Also, the findings revealed by our review in the three States indicated a need for more intensive monitoring of the State agencies' appeals and adjudication activities by the regional manpower office to improve the effectiveness of the unemployment insurance program.

During our review, we discussed our findings with the regional administrator in Boston. The regional administrator generally agreed with our views on the need for improvements in the areas discussed above and advised us that appropriate corrective action would be taken.

In view of the actions to be taken, we do not intend to expand our review or reporting on the policies and procedures for the adjudication of claims at this time.

We wish to acknowledge the cooperation given to our representatives during the review.

Sincerely yours,


Henry Eschwege
Associate Director

The Honorable Arnold R. Weber
Assistant Secretary for Manpower
Department of Labor

cc. The Honorable Leo R. Werts
Assistant Secretary for Administration